

17 May 1955

MEMORANDUM FOR THE RECORD:

SUBJECT: Clearance of Material In Transit

1. The Machine Records Division is encountering difficulty in balancing its monthly transactions applicable to Material in Transit with the Stock Status and Monthly Value Report at month end because the Supply Control Center and Headquarters carry line items at different average prices.

2. This is primarily caused because of the necessity to adjust stock status prices for material in transit at Headquarters level to agree with the unit price used by Supply Control Center in recording the receipt of property shipped from ZI.

3. Under such circumstances, to properly clear material in transit items at Headquarters level it is necessary to process the documentation as a 75, 85 and 74 transaction. This procedure poses no problem provided the 75, 85 and 74 transaction codes apply against a balance forward card previously established in a prior period and therefore does not require an 83 transaction being recorded in the current month in which the 75, 85 and 74 transactions are processed. However, if an 83 transaction is recorded in the current month, necessary differences will occur through the application of acquisition difference techniques because transaction cards 85 are utilized by Machine Records Division the "lead or guide card" rather than the 83 transaction card with the result that any uncleared quantity in the stock status card will be extended at the unit price appearing in the 85 transaction card.

4. To correct this situation, it is essential that Supply Operations Branch, Logistics Office, clear the total quantity in the stock status cards the current unit price in every instance where the 74 transaction code does not automatically clear the quantity on hand at the current price. This is to be accomplished by a 75 transaction code with the re-establishment of the total quantity on hand at the new average price by transaction code 85. Accordingly, if a 74 transaction card is processed for only a part of the total quantity of "Material In Transit" the new balance forward card will reflect the quantity still to be receipted for at the new average price. It must be recognized that in every instance where quantity and/or unit price is not automatically cleared in its entirety through a 74 transaction code, it will be necessary to process a 75, 85 transaction for the total quantity on hand at the time the 74 transaction code is processed.

5. With respect to trans-shipments between ZI locations there should never be an acquisition difference tabulation necessary to balance detail transactions with the stock status cards. If at month end, because of coding errors occurring during the current month, the stock status cards and general ledger accounts are not in agreement it will be necessary to process an 8X3 and an 83 transaction bringing the material in transit quantity and unit price into agreement with the unit price appearing on the 73 transaction card representing evidence of receipt at a ZI location.

6. Adherence to the two procedures referred to above will automatically eliminate the acquisition difference tabulation with respect to material in transit between [] ZI and FE locations.